

LESLIE TOWNSHIP, MICHIGAN

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

# Auditing Procedures Report

Instructions and MuniCodes

\*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* LESLIE TOWNSHIP	County* INGHAM	Type* TOWNSHIP	MuniCode* 33-1-080
Opinion Date-Use Calendar* Aug 27, 2008	Audit Submitted-Use Calendar* Oct 9, 2008	Fiscal Year End Month* 06	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin)?
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/> ?	18. Are there reported deficiencies?
<input type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> ? \$ 312,107.00
General Fund Expenditure:	<input type="checkbox"/> ? \$ 273,901.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> ? \$ 255,521.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> ? \$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* DAVID	Last Name* HADDRILL	Ten Digit License Number* 1102001259		
CPA Street Address* 834 N CAPITOL	City* LANSING	State* MI	Zip Code* 489065114	Telephone* +1 (517) 484-4200
CPA Firm Name* DAVID E HADDRILL, PC	Unit's Street Address* 4279 OAK	Unit's City* LESLIE	Unit's Zip* 49251	

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**David E. Haddrill, P.C.**  
**Certified Public Accountant**

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834 N. Capitol Avenue, Lansing, MI 48906-5114  
517/484-4200 Fax: 517/484-4262

August 27, 2008

Township Board  
Leslie Township

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Leslie Township, Michigan, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Leslie Township, Michigan as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Leslie Township, Michigan basic financial statements. The statements of revenues, expenditures and changes in fund balance, and the General Fund Schedule of Revenues and Schedule of Appropriations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*David E. Haddrill, P.C.*

Certified Public Accountant

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

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As the Township Board of Leslie Township, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Leslie Township for the fiscal year June 30, 2008.

#### Financial Highlights

The assets of Leslie Township exceeded its liabilities at June 30, 2008 by \$1,177,745 (net assets). Of this amount, \$255,521 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Leslie Township's governmental funds reported combined ending fund balances of \$408,032, an increase of \$11,181 in comparison with the prior year. The total amount, \$408,032 is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$255,521, or 93.3 percent of the total general fund expenditures.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Leslie Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how of the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements report the functions of the Township, which are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include: general government, public safety, public works, health and welfare, and culture and recreation.

The government-wide financial statements can be found on pages 6 and 7 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Leslie Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the township can be divided into two categories: governmental funds and fiduciary funds.

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

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**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental fund financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluation of a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Leslie Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Fire Protection Fund, Road Improvement Fund and Cemetery Funds which are considered to be major funds. Data from the public improvement funds are also presented separately.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and other major funds to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

#### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In Leslie Township, assets exceeded liabilities by \$1,177,745 at the close of the most recent fiscal year, a decrease of \$22,815 over the previous year. The following provides a summary of the Township's net assets at June 30:

#### SUMMARY OF NET ASSETS

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 426 278	\$ 410 584
Capital assets	<u>769 713</u>	<u>803 709</u>
Total assets	<u>1 195 991</u>	<u>1 214 293</u>
Current liabilities	<u>18 246</u>	<u>13 733</u>
Net Assets		
Invested in capital assets	769 713	803 709
Restricted	152 511	165 819
Unrestricted	<u>255 521</u>	<u>231 032</u>
Total net assets	<u>\$ 1 177 745</u>	<u>\$ 1 200 560</u>

# LESLIE TOWNSHIP

## MANAGEMENT DISCUSSION AND ANALYSIS

Of the Township's net assets, \$255,521 may be used to meet the Township's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental activities.

The Township's net assets decreased by \$22,815 during the current fiscal year as discussed below.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The following provides a summary of the Township's Changes in net assets for the year ended June 30:

### SUMMARY OF CHANGES IN NET ASSETS

	2008	2007
<b>REVENUES</b>		
Program revenues		
Charges for services	\$ 27 557	\$ 34 060
General revenues		
Property taxes	176 557	169 670
State-shared revenue	165 834	164 535
Interest income	13 832	15 268
Miscellaneous	5 054	1 250
Total revenues	<u>388 834</u>	<u>384 783</u>
<b>EXPENSES</b>		
General government	246 735	239 561
Public safety	112 633	102 919
Public works	38 329	59 717
Health and welfare	6 417	6 811
Culture and recreation	7 535	7 562
Total expenses	<u>411 649</u>	<u>416 570</u>
Change in net assets	(22 815)	(31 787)
Net assets, at beginning of year	<u>1 200 560</u>	<u>1 232 347</u>
Net assets, at end of year	<u>\$ 1 177 745</u>	<u>\$ 1 200 560</u>

## LESLIE TOWNSHIP

### MANAGEMENT DISCUSSION AND ANALYSIS

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#### Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$408,032, an increase of \$11,181 in comparison with the prior year. All of this amount constitutes unreserved fund balance, which is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund and the total fund balance was \$255,521. Unreserved fund balance represents 93.3 percent of the total general fund expenditures.

The fund balance of the Township's general fund increased by \$24,489 during the current fiscal year.

#### General Fund Budgetary Highlights

There was no change in total appropriations between the original budget and the final amended budget.

#### Capital Asset Administration

Capital Assets. The township's investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$769,713 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, improvements, equipment, park facilities, etc). The total decrease in the Township's investment in capital assets for the current fiscal year was 4.2 percent.

Details of the Township's capital assets are continued in the notes to the financial statements on pages 13 and 14.

#### Economic Factors and Next Year's Budget and Rates

The Township's millage rate was reduced again by the Headlee Amendment rollback. This factor was considered in preparing the Township's budget for the 2008-2009 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$255,521. The Township has presented a budget in the 2008-2009 fiscal year that appropriates \$116,340 of the General Fund unreserved fund balance.

#### Request for Information

This financial report is designed to provide a general overview of Leslie Township's finances for all those with an interest in the township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Leslie Township at (517) 589-8201.



LESLIE TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

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	<u>Governmental activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 396 587
Receivables	6 997
Prepaid expenses	22 694
Capital assets - net	<u>769 713</u>
 Total assets	 <u>1 195 991</u>
 <u>LIABILITIES</u>	
Accounts payable	2 016
Accrued payroll	<u>16 230</u>
 Total liabilities	 <u>18 246</u>
 <u>NET ASSETS</u>	
Invested in capital assets	769 713
Restricted for	
Fire Department	91 369
Park pavilion	11 208
Fire protection	29 948
Road improvement	19 986
Unrestricted	<u>255 521</u>
 Total net assets	 <u>\$ 1 177 745</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
STATEMENT OF ACTIVITIES  
JUNE 30, 2008

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Functions/Programs	Expenses	Charges for services	Net expense (revenue)
Primary government			
General government	\$ 246 735	\$ 5 144	\$ 241 591
Public safety	112 633	22 413	90 220
Public works	38 329		38 329
Health and welfare	6 417		6 417
Culture and recreation	7 535		7 535
Total governmental activities	<u>\$ 411 649</u>	<u>\$ 27 557</u>	<u>384 092</u>
General revenues			
Property taxes			176 557
State - shared revenue			165 834
Interest income			13 832
Miscellaneous			<u>5 054</u>
Total general revenues			<u>361 277</u>
Change in net assets			(22 815)
Net assets, at beginning of year			<u>1 200 560</u>
Net assets, at end of year			<u>\$ 1 177 745</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2008

	General Fund	Fire Protection Fund	Road Improvement Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 244 076	\$ 29 948	\$ 19 986
Receivables	6 796		
Due from Tax Revolving Fund	201		
Prepaid expenses	<u>22 694</u>		
Total assets	<u>273 767</u>	<u>29 948</u>	<u>19 986</u>
<u>LIABILITIES</u>			
Accounts payable	2 016		
Accrued payroll	<u>16 230</u>		
Total liabilities	<u>18 246</u>		
<u>FUND BALANCES</u>			
Unreserved			
Undesignated	139 181	29 948	19 986
Designated for subsequent years expenditures	<u>116 340</u>		
Total fund balances	<u>\$ 255 521</u>	<u>\$ 29 948</u>	<u>\$ 19 986</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$1,385,309, net of accumulated depreciation of  
\$615,596 are not financial resources and are not reported in the funds

Net assets of governmental activities

Net assets of governmental activities

<u>Cemetery Maintenance Fund</u>	<u>Fire Public Improvement Fund</u>	<u>Pavilion Public Improvement Fund</u>	<u>Total Governmental Funds</u>
\$	\$ 91 369	\$ 11 208	\$ 396 587
			6 796
			201
			<u>22 694</u>
	<u>91 369</u>	<u>11 208</u>	<u>426 278</u>
			2 016
			<u>16 230</u>
			<u>18 246</u>
	91 369	11 208	291 692
			<u>116 340</u>
<u>\$</u>	<u>\$ 91 369</u>	<u>\$ 11 208</u>	408 032
			<u>769 713</u>
			<u>1 177 745</u>

LESLIE TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2008

	General Fund	Fire Protection Fund	Road Improvement Fund
<b>REVENUE</b>			
Taxes	\$ 104 107	\$ 72 450	\$
State government	165 834		
Charges for fire runs	14 815		
Building permits	7 598		
Building rental	5 144		
Interest	9 555	71	61
Miscellaneous	5 054		
Total revenues	312 107	72 521	61
<b>EXPENDITURES</b>			
General government	220 850		
Public safety	20 226	70 700	
Public works	18 874		19 455
Health and welfare	6 417		
Culture and recreation	7 534		
Total expenditures	273 901	70 700	19 455
Excess(deficiency) of revenues over expenditures	38 206	1 821	(19 394)
<b>OTHER FINANCING SOURCE(USE)</b>			
Operating transfers in			
Operating transfers out	(13 717)		
Total other financial source(use)	(13 717)		
Excess(deficiency) of revenues and other source over expenditures and other use	24 489	1 821	(19 394)
<b>FUND BALANCE, at beginning of year</b>	231 032	28 127	39 380
<b>FUND BALANCE, at end of year</b>	\$ 255 521	\$ 29 948	\$ 19 986

Excess(deficiency) of revenues and other source over expenditures and other use

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. Current period capital acquisitions of \$14,283 were exceeded by depreciation expense of \$48,279.

Change in net assets of governmental activities

See accompanying to financial statements.

Cemetery Maintenance Fund	Fire Public Improvement Fund	Pavilion Public Improvement Fund	Total Governmental Fund
\$	\$	\$	\$ 176 557
			165 834
			14 815
			7 598
			5 144
	3 617	528	13 832
			5 054
	<u>3 617</u>	<u>528</u>	<u>388 834</u>
13 597			234 447
			90 926
			38 329
			6 417
			7 534
<u>13 597</u>			<u>377 653</u>
<u>(13 597)</u>	<u>3 617</u>	<u>528</u>	<u>11 181</u>
	13 717		13 717
			(13 717)
	<u>13 717</u>		
(13 597)	17 334	528	11 181
<u>13 597</u>	<u>74 035</u>	<u>10 680</u>	<u>396 851</u>
<u>\$</u>	<u>\$ 91 369</u>	<u>\$ 11 208</u>	<u>\$ 408 032</u>
			\$ 11 181
			<u>(33 996)</u>
			<u>\$ (22 815)</u>

LESLIE TOWNSHIP  
STATEMENT OF NET ASSETS - TAX REVOLVING FUND  
JUNE 30, 2008

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ASSETS

Cash	\$ 201
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LIABILITIES

Due to General Fund	<u>201</u>
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Net assets	<u>\$</u>
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See accompanying notes to financial statements.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Leslie Township conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Leslie Township:

A. Reporting Entity

Leslie Township is governed by an elected five-member Board. The accompanying financial statements present the government with no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Leslie Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.



LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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The Leslie Township property tax is levied on December 1 on the taxable valuation of property (as defined by State statutes) located in Leslie Township as of the preceding December 31. It is Leslie Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The Government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Protection Fund accounts for the one mill levied for the acquisition, maintenance and operation of fire protection services and equipment for the Township.

The Road Improvement Fund accounts for previous year tax levies to help fund the improvement, maintenance and repair of roads in the Township.

The Cemetery Fund accounts for previous year tax levies to help fund the operation and maintenance of the cemetery in the Township.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include charges to customers or applicants for goods, services or privileges provided. Generally revenue includes all taxes.

**D. Assets, Liabilities, and Net Assets or Equity**

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the proceeding December 31. Taxes are considered delinquent on February 28 of the following year, at which time they are turned over to Ingham County for collection.

Capital Assets - Capital assets, which include property and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Land improvements	25 years
Fire vehicles	20 years
Office and fire equipment	10 years
Computer equipment	5 years

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. By state law, expenditures may not exceed budgeted amounts and a fund deficit may not be budgeted.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. All budget amendments are approved by the Township Board.

(3) CASH DEPOSITS

All of the Township's funds are received by the Township Treasurer and deposited with institutions approved by the Township Board. At June 30, 2008, the Township had \$396,587 on deposit at a local bank of which \$100,000 was covered by FDIC insurance.

(4) CAPITAL ASSETS

Capital asset activity of the primary government for the current was as follows:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 44 357	\$	\$	\$ 44 357
Capital assets being depreciated				
Buildings	638 654			638 654
Improvements other than buildings	108 831	3 534		112 365
Equipment	579 184	10 749		589 933
Subtotal	1 326 669	14 283		1 340 952

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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Less accumulated depreciation			
Buildings	185 561	12 807	198 368
Improvements other than buildings	35 083	4 424	39 507
Equipment	<u>346 673</u>	<u>31 048</u>	<u>377 721</u>
Subtotal	<u>567 317</u>	<u>48 279</u>	<u>615 596</u>
Net capital assets being depreciated	<u>759 352</u>	<u>(33 996)</u>	<u>725 356</u>
Governmental activities capital total			
Capital assets - net of depreciation	<u>\$ 803 709</u>	<u>\$ (33 996)</u>	<u>\$ 769 713</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 16 261
Public safety	28 483
Culture and recreation	<u>3 535</u>
Total governmental activities	<u>\$ 48 279</u>

(5) RISK MANAGEMENT

Leslie Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Leslie Township has purchased commercial insurance for property, liability, wrongful acts, crime inland marine and other risks of loss including workers' compensation and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

(6) EMPLOYEES' RETIREMENT SYSTEM-DEFINED CONTRIBUTION

The Township contributes 15 percent of participating employees' gross wages to one of two retirement plans. The Township Clerk administers both plans.

A defined contribution plan, established in 1991, is funded through John Hancock Life Insurance Company. Employees have options as to how their individual account is invested and may make voluntary contributions in addition to the Township's 15 percent.

A defined benefit plan was established effective January 1, 2006. The plan is funded through the Municipal Employees' Retirement System of Michigan and guarantees participating employees a fixed retirement benefit based on years of service and levels of compensation. Employees choosing to participate in this plan transferred their assets from the defined benefit plan and are contributing 3.44 percent of their gross pay to be combined with a 10 percent contribution from the Township. Employees may choose to increase their retirement benefits by increasing their voluntary contributions. The Township also contributes 5 percent of these employees' gross pay to a defined contribution plan, also funded through MERS. Total cost to the Township for both plans for the year ended June 30, 2008 was \$18,044.

LESLIE TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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(7) SPECIAL MILLAGES

In August 1996, Township voters approved three special millages: one mill for the acquisition, maintenance and operation of fire protection services and equipment for the Township, one mill for improvement, maintenance and repair of roads in the Township, and one half mill for the operation and maintenance of the cemetery in the Township. All special millages were for the five years from 1996 through 2000 and have been accounted for in separate special revenue funds. In August 2001, the three millages were renewed through December 2004. In August 2004, the fire millage was extended through December 2008.

(8) BUILDING PERMIT FEES AND RELATED EXPENDITURES

For the period July 1, 2007, through June 30, 2008, building permit fees and related expenditures were as follows:

Building permit revenue	<u>\$ 7 598</u>
Inspection department salaries	17 296
Fringe benefits	2 845
Travel and training	1 984
Allocated overhead	<u>2 595</u>
Total expenditures	<u>24 720</u>
Excess(deficiency) of revenues over expenditures	(17 122)
Prior net revenue(expenditure)	<u>(30 209)</u>
Net revenue(expenditure) January 1, 2000 through June 30, 2008	<u>\$ (47 331)</u>

## REQUIRED SUPPLEMENTARY INFORMATION

LESLIE TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, -----	
			2008	2007
REVENUES	\$ 291 300	\$ 291 300	\$ 312 107	\$ 311 064
EXPENDITURES				
Legislative - Township Board	36 800	36 800	31 128	57 781
Supervisor	20 859	20 859	18 935	18 899
Elections	11 750	11 750	1 921	6 444
Assessor	28 565	28 565	27 397	24 213
Professional fees	13 800	13 800	6 768	6 202
Clerk	31 142	31 142	30 218	29 256
Board of Review	800	800	330	480
Treasurer	28 767	28 767	25 502	26 974
Township Hall and grounds	39 200	39 200	30 841	32 566
Cemetery	12 002	12 002	12 003	600
Fire	(4 830)	1 453	696	26 489
Public safety	3 250	3 250	250	250
Inspection Department	30 187	30 187	19 280	19 065
Public works	25 500	25 500	18 874	32 417
Planning and Zoning	13 700	13 700	4 144	2 738
Health and welfare	7 000	7 000	6 417	6 811
Culture and recreation	9 750	9 750	7 534	6 101
Other functions	41 500	41 500	31 663	30 081
Total expenditures	349 742	356 025	273 901	327 367
Excess(deficiency) of revenues over expenditures	(58 442)	(64 725)	38 206	(16 303)
OTHER FINANCING SOURCE(USE)				
Operating Transfer out - Fire Public Improvement Fund	(20 000)	(13 717)	(13 717)	
Excess(deficiency) of revenues over expenditures and other use	(78 442)	(78 442)	24 489	(16 303)
FUND BALANCE, at beginning of year	231 032	231 032	231 032	247 335
FUND BALANCE, at end of year	\$ 152 590	\$ 152 590	\$ 255 521	\$ 231 032

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
FIRE PUBLIC IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, ----- 2008      2007	
REVENUES				
Interest income	\$ 1 000	\$ 1 000	\$ 3 617	\$ 2 756
OTHER FINANCING SOURCE				
Operating transfers in	<u>20 000</u>	<u>20 000</u>	<u>13 717</u>	<u>20 000</u>
Revenues and other source	21 000	21 000	17 334	22 756
FUND BALANCE, at beginning of year	<u>74 035</u>	<u>74 035</u>	<u>74 035</u>	<u>51 279</u>
FUND BALANCE, at end of year	<u>\$ 95 035</u>	<u>\$ 95 035</u>	<u>\$ 91 369</u>	<u>\$ 74 035</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
PAVILION PUBLIC IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, ----- 2008      2007	
REVENUES				
Interest income	\$      500	\$      500	\$      528	\$      751
EXPENDITURES				
Park improvement - capital outlay	_____	_____	_____	____ 9 088
Excess(deficiency) of revenues over expenditures	500		528	(8 337)
FUND BALANCE, at beginning of year	____ 10 680	____ 10 680	____ 10 680	____ 19 017
FUND BALANCE, at end of year	<u>\$ 11 180</u>	<u>\$ _____</u>	<u>\$ 11 208</u>	<u>\$ 10 680</u>

See accompanying notes to financial statements.



LESLIE TOWNSHIP  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, ----- 2008      2007	
<b>REVENUES</b>				
Property taxes	\$ 70 700	\$ 70 700	\$ 72 450	\$ 69 417
Interest income	<u>150</u>	<u>150</u>	<u>71</u>	<u>59</u>
Total revenues	<u>70 850</u>	<u>70 850</u>	<u>72 521</u>	<u>69 476</u>
<b>EXPENDITURES</b>				
Public safety - fire operating	65 700	65 700	63 925	28 369
Fire department - capital outlay	<u>5 000</u>	<u>5 000</u>	<u>6 775</u>	<u>4 031</u>
Total expenditures	<u>70 700</u>	<u>70 700</u>	<u>70 700</u>	<u>32 400</u>
Excess of revenues over expenditures	150	150	1 821	37 076
<b>OTHER FINANCING USE</b>				
Operating transfer out - Fire Public Improvement Fund	<u>          </u>	<u>          </u>	<u>          </u>	<u>(20 000)</u>
Excess of revenues over expenditures and other use	150	150	1 821	17 076
FUND BALANCE, at beginning of year	<u>28 127</u>	<u>28 127</u>	<u>28 127</u>	<u>11 051</u>
FUND BALANCE, at end of year	<u>\$ 28 277</u>	<u>\$ 28 277</u>	<u>\$ 29 948</u>	<u>\$ 28 127</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

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	Original budget	Final budget	Year ended June 30, ----- 2008      2007	
REVENUES				
Interest income	\$      200	\$      200	\$      61	\$      90
EXPENDITURES				
Public works - roads	<u>20 000</u>	<u>20 000</u>	<u>19 455</u>	<u>27 300</u>
Excess(deficiency) of revenues over expenditures	(19 800)	(19 800)	(19 394)	(27 210)
FUND BALANCE, at beginning of year	<u>39 380</u>	<u>39 380</u>	<u>39 380</u>	<u>66 590</u>
FUND BALANCE, at end of year	<u>\$ 19 580</u>	<u>\$ 19 580</u>	<u>\$ 19 986</u>	<u>\$ 39 380</u>

See accompanying notes to financial statements.

LESLIE TOWNSHIP  
CEMETERY MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

	Original budget	Final budget	Year ended June 30, ----- 2008      2007	
REVENUES				
Interest income	\$	\$	\$	\$ 646
EXPENDITURES				
Cemetery contribution	<u>13 597</u>	<u>13 597</u>	<u>13 597</u>	<u>21 000</u>
Excess(deficiency) of revenues over expenditures	(13 597)	(13 597)	(13 597)	(20 354)
FUND BALANCE, at beginning of year	<u>13 597</u>	<u>13 597</u>	<u>13 597</u>	<u>33 951</u>
FUND BALANCE, at end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13 597</u>

See accompanying notes to financial statements.

## ADDITIONAL INFORMATION

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF REVENUES

	Original budget	Final budget	Year ended June 30,	
			----- 2008	2007
<b>Taxes</b>				
Operating	\$ 70 000	\$ 70 000	\$ 71 396	\$ 68 736
Administration fee	29 000	29 000	31 036	29 608
Penalties and interest	<u>1 000</u>	<u>1 000</u>	<u>1 675</u>	<u>1 909</u>
Total taxes	<u>100 000</u>	<u>100 000</u>	<u>104 107</u>	<u>100 253</u>
<b>Intergovernmental</b>				
State shared revenues	<u>162 000</u>	<u>162 000</u>	<u>165 834</u>	<u>164 535</u>
<b>Charges for services</b>				
Fire retainer and fees	<u>9 500</u>	<u>9 500</u>	<u>14 815</u>	<u>19 350</u>
<b>Building permits</b>	<u>15 000</u>	<u>15 000</u>	<u>7 598</u>	<u>10 495</u>
<b>Miscellaneous</b>				
Building rental	3 000	3 000	5 144	4 215
Interest income	1 000	1 000	9 555	10 966
Miscellaneous	<u>800</u>	<u>800</u>	<u>5 054</u>	<u>1 250</u>
Total miscellaneous	<u>4 800</u>	<u>4 800</u>	<u>19 753</u>	<u>16 431</u>
Total revenues	<u>\$ 291 300</u>	<u>\$ 291 300</u>	<u>\$ 312 107</u>	<u>\$ 311 064</u>

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			----- 2008	2007
Legislative - Township Board				
Per diem	\$ 7 500	\$ 7 500	\$ 7 320	\$ 6 840
Clerical	7 000	7 000	6 817	4 556
Supplies	4 000	4 000	3 419	3 279
Dues	1 300	1 300	1 570	1 533
Travel and training	4 500	4 500	786	2 936
Printing and publishing	5 000	5 000	3 185	2 090
Miscellaneous	3 000	3 000	4 057	1 914
Capital outlay	4 500	4 500	3 974	34 633
Total legislative - Township Board	36 800	36 800	31 128	57 781
Supervisor				
Salary	17 309	17 309	17 309	17 309
Deputy	1 000	1 000	304	107
Supplies	500	500	130	
Dues	50	50	50	50
Travel and training	2 000	2 000	1 142	1 433
Total Supervisor	20 859	20 859	18 935	18 899
Elections				
Per diem	6 500	6 500	560	5 804
Supplies	4 500	4 500	1 308	454
Printing and publishing	750	750	53	186
Total elections	11 750	11 750	1 921	6 444
Assessor				
Salary	22 500	22 500	22 500	19 859
Assistant assessor	1 500	1 500	1 120	576
Supplies	4 475	4 475	3 687	2 700
Dues	90	90	90	90
Travel and training				988
Total assessor	28 565	28 565	27 397	24 213
Professional fees				
Attorney	10 000	10 000	2 968	2 502
Audit	3 800	3 800	3 800	3 700
Total professional fees	13 800	13 800	6 768	6 202

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			2008	2007
Clerk				
Salary	\$ 24 747	\$ 24 747	\$ 24 747	\$ 24 747
Deputy	3 000	3 000	2 484	2 608
Supplies	500	500	634	38
Dues	245	245	260	245
Travel and training	2 650	2 650	2 093	1 618
Total Clerk	31 142	31 142	30 218	29 256
Board of Review				
Per diem	800	800	330	480
Treasurer				
Salary	23 547	23 547	23 547	23 603
Deputy	1 200	1 200	541	900
Supplies	500	500	53	501
Dues	220	220	155	220
Travel and training	3 300	3 300	1 206	1 750
Total Treasurer	28 767	28 767	25 502	26 974
Township Hall and grounds				
Salary	3 000	3 000	2 978	3 138
Supplies	1 500	1 500	1 170	958
Utilities	5 500	5 500	4 542	4 904
Telephone	4 000	4 000	3 018	2 592
Repairs and maintenance	25 200	25 200	19 133	20 974
Total Township Hall and grounds	39 200	39 200	30 841	32 566
Cemetery				
Salary	600	600	600	600
Contribution to cemetery	25 000	25 000	25 000	21 000
Recorded in Cemetery Millage Fund	(13 598)	(13 598)	(13 597)	(21 000)
	12 002	12 002	12 003	600

LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			----- 2008	2007
Fire				
Personal	\$ 21 000	\$ 21 000	\$ 24 642	\$ 18 762
Supplies	10 370	16 653	7 398	5 726
Telephone	1 500	1 500	2 585	2 180
Travel and training	2 500	2 500	2 125	1 174
Insurance and bonds	15 500	15 500	13 823	15 255
Utilities	3 000	3 000	4 285	4 177
Repairs and maintenance	6 000	6 000	9 418	7 366
Miscellaneous	1 000	1 000	345	218
Capital outlay	5 000	5 000	6 775	4 031
Recorded in Fire Millage Fund	<u>(70 700)</u>	<u>(70 700)</u>	<u>(70 700)</u>	<u>(32 400)</u>
Total fire	<u>(4 830)</u>	<u>1 453</u>	<u>696</u>	<u>26 489</u>
Public safety	<u>3 250</u>	<u>3 250</u>	<u>250</u>	<u>250</u>
Inspection Department				
Zoning Administrator salary	8 687	8 687	8 696	8 687
Building Inspector salary	7 000	7 000	3 640	5 080
Electrical Inspector salary	5 000	5 000	2 240	1 320
Plumbing Inspector salary	7 000	7 000	2 720	2 440
Travel and training	<u>2 500</u>	<u>2 500</u>	<u>1 984</u>	<u>1 538</u>
Total inspection department	<u>30 187</u>	<u>30 187</u>	<u>19 280</u>	<u>19 065</u>
Public works				
Roads	35 500	35 500	28 844	52 011
Drains	10 000	10 000	9 485	7 706
Recorded in Road Millage Fund	<u>(20 000)</u>	<u>(20 000)</u>	<u>(19 455)</u>	<u>(27 300)</u>
Total public works	<u>25 500</u>	<u>25 500</u>	<u>18 874</u>	<u>32 417</u>
Planning and Zoning				
Planning Commission per diem	2 800	2 800	2 070	1 410
Board of Appeals per diem	400	400	370	
Construction Appeals per diem	500	500		
Planning services	<u>10 000</u>	<u>10 000</u>	<u>1 704</u>	<u>1 328</u>
Total planning and zoning	<u>13 700</u>	<u>13 700</u>	<u>4 144</u>	<u>2 738</u>



LESLIE TOWNSHIP

GENERAL FUND

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES

	Original budget	Final budget	Year ended June 30,	
			----- 2008	2007
Health and welfare				
Clean-up days	\$ 7 000	\$ 7 000	\$ 6 417	\$ 6 811
Culture and recreation				
Community pool	4 000	4 000	4 000	4 000
Neighborhood Watch	750	750		98
Capital outlay - park pavilion	5 000	5 000	3 534	11 091
Recorded in Pavilion PI Fund				(9 088)
Total culture and recreation	<u>9 750</u>	<u>9 750</u>	<u>7 534</u>	<u>6 101</u>
Other functions				
Insurance and bonds	11 000	11 000	9 090	8 753
Social security	5 500	5 500	4 529	4 191
Pensions	20 000	20 000	18 044	17 137
Contingency	<u>5 000</u>	<u>5 000</u>		
Total other functions	<u>41 500</u>	<u>41 500</u>	<u>31 663</u>	<u>30 081</u>
Total appropriations and expenditures	<u>\$ 359 402</u>	<u>\$ 356 025</u>	<u>\$ 273 901</u>	<u>\$ 327 367</u>